GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:854
ANSWERED ON:22.11.2001
LOAN TAKEN BY CONCOR
ARUN KUMAR

Will the Minister of RAILWAYS be pleased to state:

(a) whether the Container Corporation of India (CONCOR) has taken loan for purchase of terminal operating equipments from IFCI a an interest rate of 24% p.a. and on the other hand it is used to grant loan/advances to private as well as unauthorised contractor at the lower rate of interest;

(b) if so, whether any norms, terms and conditions have been fixed for utilising such loan;

(c) if so, the details thereof; and

(d) the reasons for misutilization of such loan ?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS AND MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI O. RAJAGOPAL)

(a) to (c): Yes, Sir. CONCOR had taken a foreign currency loan for import of handling equipment [Two Rubber Tyre Gantry Cranes (RTG) from Singapore] from the Industrial Finance Corporation of India Ltd. (IFCI) under the Exchange Risk Administration Scheme (ERAS). CONCOR paid interest at the rate of 23% p.a. as per the terms of the Loan Agreement.

Some loans have been advanced by CONCOR to parties associated with their business activities from the company`s surplus funds. The IFCI loan was not utilised for this purpose.

(d): Does not arise.